
From: Eudy, Ken [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=559B029A243848E7AFD724EED4610137-KEUDY1]
Sent: 7/12/2017 10:17:18 AM
To: Young, Carol S [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=ce2a7dbc5d41424eb6317d87a73451c5-csyoun]
Subject: FW: Paper on solar financing
Attachments: Haile_PP2.pdf

For gov's briefing book.

Ken Eudy
Senior Advisor to the Governor
919.814.2110

From: Andy Haile [mailto:ahaile@elon.edu]
Sent: Tuesday, July 11, 2017 5:12 PM
To: Eudy, Ken <ken.eudy@nc.gov>
Subject: Paper on solar financing

Ken,
Thanks for speaking with me today—I really appreciate you taking the time to hear my views. I'm attaching the paper that I mentioned to you. It's an academic article, so it's pretty long and I know that the Governor will have a lot to read on this issue. The gist of the paper is that the state should allow power purchase agreements as a form of financing for solar panels. We should encourage this form of financing, as it's the best method of financing from the consumer standpoint and would help to spread distributed solar to people who could not otherwise afford it.

HB 589 prohibits power purchase agreements (section 62-126.5(c)). That will hurt consumers. While the bill expressly permits leasing of solar panels, that's far less valuable to consumers, since with a lease the risk of underproduction of expected electric output is on the consumer—under a power purchase agreement that risk remains with the third-party solar provider, which is way better for consumers. Also, leasing is arguably already permissible, so consumers are getting no new rights under the bill.

Also, the change in net metering is very unfavorable for consumers, both the shift to avoided cost and the relatively short grandfather period (10 years, while most solar panels are warranted for at least 25 years).

As I mentioned, I know there are various stakeholders in this legislation, but groups that are harmed by it are individual consumers and small business/non-profits that would like to finance solar panels, as well as small solar companies. Of course, I haven't even mentioned the moratorium on wind energy facilities, but I'm sure that the Governor is hearing from the wind industry on that. I'm mostly concerned with the adverse impact on consumers and small businesses.

Thanks again for your willingness to include my paper in the Governor's packet on this issue. I urge him to veto the bill and appreciate the serious consideration that he's giving the issue.

Regards,
Andy Haile

Andrew J. Haile
Associate Professor
Elon University School of Law
201 N. Greene Street
Greensboro, NC 27401
336-279-9213

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